

# MAINE STATE LEGISLATURE

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EIGHTY-THIRD LEGISLATURE

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House Document

No. 103

H. P. 390                      House of Representatives, Feb. 9, 1927.

Referred to Committee on Public Utilities and 500 copies ordered printed. Sent up for concurrence.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Hammond of Van Buren.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD ONE THOUSAND NINE  
HUNDRED AND TWENTY-SEVEN

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AN ACT Relating to Approval by the Public Utilities Commission of Issues of Stock, Bonds, Notes or Other Evidences of Indebtedness by Public Utility Corporations.

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Be it enacted by the People of the State of Maine, as follows:

That section thirty-seven of chapter fifty-five of the revised  
2 statutes of Maine, revision of nineteen hundred sixteen, as  
3 amended by chapter one hundred twenty-eight of the public  
4 laws of nineteen hundred nineteen and by chapter one hun-  
5 dred thirty-three of the public laws of nineteen hundred  
6 twenty-five, be amended by adding the following paragraph:

‘No railroad corporation engaged in interstate commerce  
2 shall be required to make application to the commission, or  
3 to procure its authority, consent, approval or order, in re-

4 spect of any of the matters set forth in this section or in  
5 sections thirty-eight and thirty-nine of this chapter, while  
6 and so long as such corporation is required by federal law  
7 to make application to and procure authority from the In-  
8 terstate Commerce Commission as a condition precedent to  
9 such proposed action, but nothing herein contained shall ex-  
10 empt any such corporation from filing with the secretary of  
11 state due notice of increases in its capital stock or from  
12 the payment of any fees required by statute.'

So that said section, as amended, shall read as follows:

'Sect. 37. Authorization of issue of stocks, bonds, and  
2 notes by public utilities. 1913, c. 129, sec. 35, c. 216. 1915,  
3 c. 347, sec 6. May issue stocks, bonds, etc., to reimburse  
4 treasury for money used for acquisition of property, etc.,  
5 actually expended from income or other moneys. (Amended,  
6 1919, c. 128.) Municipal and quasi municipal corporations  
7 authorized to issue bonds, notes and other evidences of in-  
8 debtedness subject to approval of public utilities commis-  
9 sion; limitations. (As amended by chapter 133, P. L. 1925.)  
10 Any public utility now organized and existing, and doing  
11 business in the state or hereafter incorporated under and  
12 by virtue of the laws of the State of Maine, may issue  
13 stocks, bonds, which may be secured by mortgages of its  
14 property, franchises or otherwise, notes or other evidences  
15 of indebtedness payable at periods of more than twelve  
16 months after the date thereof, when necessary for the ac-  
17 quisition of property to be used for the purpose of carrying

18 out its corporate powers, the construction, completion, ex-  
19 tension, or improvement of its facilities, or for the improve-  
20 ment or maintenance of its service, or for the discharge or  
21 lawful refunding of its obligations, or to reimburse its treas-  
22 ury for moneys used for the acquisition of property, the  
23 construction, completion, extension or improvement of its  
24 facilities, and which actually were expended from income  
25 or from other moneys in the treasury of the corporation  
26 not secured by or obtained from the issue of stocks, bonds,  
27 notes or other evidences of indebtedness of such corporation,  
28 or for such other purposes as may be authorized by law;  
29 provided and not otherwise, that upon written applica-  
30 tion, setting forth such information as the commission may  
31 require, there shall have been secured from the commission  
32 an order authorizing such issue and the amount thereof and  
33 stating that in the opinion of the commission the sum of  
34 the capital to be secured by the issue of said stocks, bonds,  
35 notes or other evidences of indebtedness is required in good  
36 faith for purposes enumerated in this section; but the pro-  
37 visions of this chapter shall not apply to any stocks or bonds  
38 or other evidences of indebtedness heretofore lawfully au-  
39 thorized and issued; provided, however, that the commis-  
40 sion may at the request of any public utility approve the  
41 issue of any stocks or bonds heretofore authorized but not  
42 issued. For the purpose of enabling the commission to  
43 determine whether it shall issue such an order, the com-  
44 mission shall make such inquiries for investigation, hold

45 such hearings and examine such witnesses, books, papers,  
46 documents or contracts as it may deem of importance in  
47 enabling it to reach a determination. No order of the com-  
48 mission authorizing the issue of any stocks, bonds, notes,  
49 or other evidences of indebtedness shall limit or restrict the  
50 powers of the commission in determining and fixing any  
51 rate, fare, toll, charge, classification, schedule, or joint rate  
52 as provided in this chapter; provided, however, that no  
53 public utility shall be required to apply to the commission  
54 for authority to issue stocks, bonds, notes or other evidences  
55 of indebtedness for the acquisition of property, for the pur-  
56 poses of carrying out its corporate powers, the construction,  
57 completion, extension or improvement of its facilities, or the  
58 improvement or maintenance of its service outside the state,  
59 and this proviso shall apply also to the following section.

‘Without in any way restricting the general language here-  
2 of, this section shall be construed to authorize any municipal  
3 or quasi municipal corporation included within this chapter  
4 to issue, upon vote of its trustees or similar governing board,  
5 bonds, notes or other evidences of indebtedness for the pur-  
6 poses herein specified and subject to the approval of the  
7 commission as herein provided. The trustees or similar  
8 governing boards of any such corporations may issue notes  
9 or other evidences of indebtedness payable at periods of less  
10 than twelve months after the date thereof when necessary  
11 to carry out the purposes of such corporations.

‘No railroad corporation engaged in interstate commerce

2 shall be required to make application to the commission, or  
3 to procure its authority, consent, approval or order, in re-  
4 spect of any of the matters set forth in this section or in  
5 sections thirty-eight and thirty-nine of this chapter, while  
6 and so long as such corporation is required by federal law  
7 to make application to and procure authority from the In-  
8 terstate Commerce Commission as a condition precedent to  
9 such proposed act on, but nothing herein contained shall ex-  
10 empt any such corporation from filing with the secretary of  
11 state due notice of increases in its capital stock or from  
12 the payment of any fees required by statute.'